



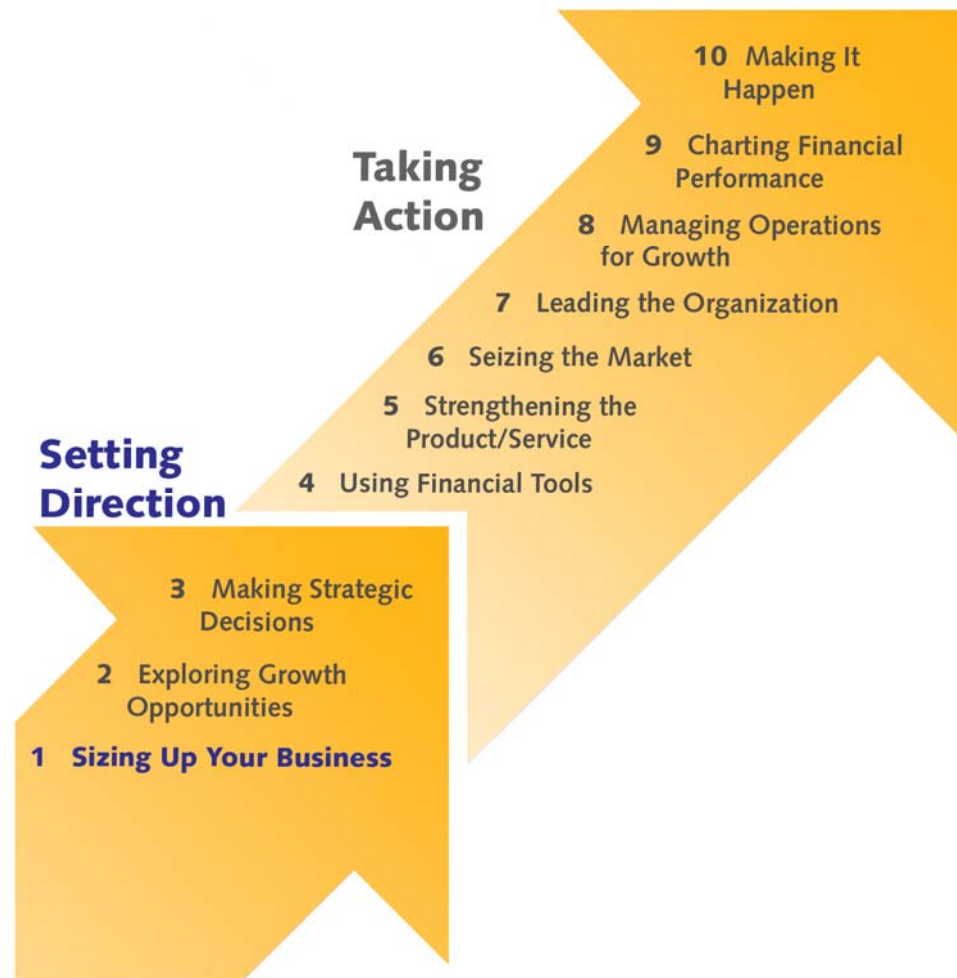
United States African Development Foundation

Seizing the Market

Reaching and Connecting with Customers

March 9, 2007

FastTrac® GrowthVenture™ Modules



AGENDA



- Branding & Marketing 45
- Table Exercise 30
- Sales & Distribution 45
- Table Exercise 30

Context and Attitudes



- How many times have you heard
 - If we could just buy this \$80,000 machine
 - If we had just had more working capital
 - All we need to do is build a new production facility
 - The market demand is huge, I just can't produce enough
 - My revenue projections are based on the production output of the factory

Attitude: If we produce it they will buy it

Innovate, Differentiate, Compete



- QUESTION:
How can African SMEs innovate, differentiate and compete in an increasingly global market place?

Innovate, Differentiate, Compete



- Niche products for local markets --> ethnic foods
- Adapt to customer segments --> small package FMCG
- Innovative distribution channels --> cellular phones
- Add-value for export markets --> cut, pre-packaged fruit
- Tap into culture uniqueness --> Nollywood

African entrepreneurs know African markets better than any global competitors

KEY ISSUES



- Revisiting Marketing Strategy:
What is my value proposition to customers?
- Branding:
How will I brand my products or services?
- Visibility:
How can I maintain constant visibility with customers?
- Sales and Distribution:
What sales and distribution strategies are best for me?
- Exceptional Customer:
How can I create exceptional customer experiences?

Branding Strategies



- Making a product or service distinctive
- Visual, emotional, cultural connection
- Create customer loyalty through:
 - Positive associations
 - Recognized name
 - Higher perceived value than competitors
- Uniqueness, clarity, consistency
- Website, signage, printed materials, advertising

Branding Tactics



- Maintain a consistent visual image
- Communicate consistent messages
- Develop individual product/service identity
- Give the brand away
- Humanize the brand
- Create and maintain a brand community
- Align product or service features

Visibility Strategies



- Helping customers remember my product or service
- Gain and maintain visibility in my target market
- Increase awareness about my products/services
- Be the expert in my field
- Develop alliances with professionals and referral networks
- Tap into other's traffic
- Stay top-of-mind with prospects and customers
- Recognize and reward customers for repeat business and referrals

Visibility - Marketing Activities



Advertising	Publicity	Promotions	Internet
Newspapers	Featured Stories	Premiums	Website
Television	Press releases	Coupons	Web catalog
Radio	Community	Demonstrations	Emails
Yellow pages	Contests	Trade shows	Web banners
Catalogs	Seminars	Telemarketing	
Fliers	Published articles	Networking	
Posters		Workshops	
Billboards		Conferences	

Marketing African Style



LOCAL

- Networking
- Billboards
- Radio
- Television
- Sports & Community events
- Newspapers

EXPORT

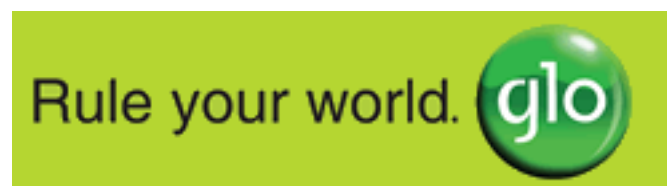
- Wait for the buyer to show up
- Agents
- Trade shows
- Internet
- Brochures

Key Challenges for African SMEs



- Limited information on customers and markets
- Limited branding and marketing resources
- ROI for marketing dollars
- Global competition from leading brands
- Perceptions of quality for African goods

African Brands



My Favorite African Brand



Table Exercise



1. Choose an SME or sector in your portfolio
2. Identify the core customer segment
3. One sentence value proposition to that customer
4. Develop a visual image
5. One sentence key message
6. Prioritize branding & marketing tactics
7. Identify and creatively address key challenges

Four Product Groups



- Table 1: Local Service Company -- Mygeria
- Table 2: Export Creative Product -- Handicrafts
- Table 3: Export Agricultural Product -- Sugar, Cotton, Vanilla
- Table 4: Local Niche Product -- Ethnic food

Sales and Distribution Channels



- In order to have revenues (and profit) a salesperson has to get a customer or distributor to agree to purchase or distribute (and pay) for the product or services, preferably on a repeat basis

Common Distribution Channels



Retail	Packaged Goods	Business to Business	Service
Mass Merchandise	Chain grocery stores	Direct sales	Company-owned offices
Discount	Mass merchandisers	Wholesalers	Franchises
Department stores	Specialty stores	Distributors	Dealerships
Specialty shops	Convenience stores	Internet	Television
Chain stores	Independent reps		Internet
Internet	Internet		

Distribution African Style



LOCAL

- Few grocery stores
- Petrol station shops & mini-marts
- Kiosks
- Market women
- Street sellers
- Personal networking
- Institutional buyers
- Agents
- Own location

EXPORT

- Buyers & agents in Africa
- Distributors & wholesalers in export market
- Processors
- Large customers
- Niche retailers
- Diaspora community
- Internet

Sales Approaches



- Finding and hiring good salespeople
- Internal sales approach (solo, direct, internet)
- External sales methods (agents, representatives, licensing)
- Targeted and appropriate to value proposition & distribution strategy
- Creating specific targets and week-to-week plans
- Holding company and salespeople accountable

Defining a Clear Sales Process



1. Define Target Market
2. Generate Sales Leads
3. Qualify Sales Leads
4. Approach Prospects
5. Make Sales Presentations
6. Handle Objections
7. Close Sale
8. Create Relationship
9. Service, repeat sales

Exceptional Customer Experience



- Provide an exceptional experience throughout every transaction
- Provide sales materials that are clear and easy to understand
- Respond promptly to customers' requests and concerns
- Listen to customers and respond accordingly
- Stand behind products and services
- Treat customers as family members and best friends
- Stay in the hearts and minds of my customers

How do you create a culture of customer service in Africa?

Challenges for African SMEs



- Buyer power in global market
- Fragmentation of local distribution channels
- Lack of information on distribution channel
- Limited MIS means poor feedback from customers
- Logistical challenges in distribution
- Finding good salespeople
- No culture of customer service among staff

Table Exercise



1. Choose an SME or sector in your portfolio
2. Revisit value proposition to customers
2. Identify key distributions channels
3. Define target market and generate a list of sales leads
4. Describe the exceptional customer experience
5. Identify and creatively address key challenges